



C12 Energy

- C12 Energy seeks to sell 100% of its interests in the Dickinson Heath Sand Unit in North Dakota
- Development upside includes 7+ MMSTB CO₂ project

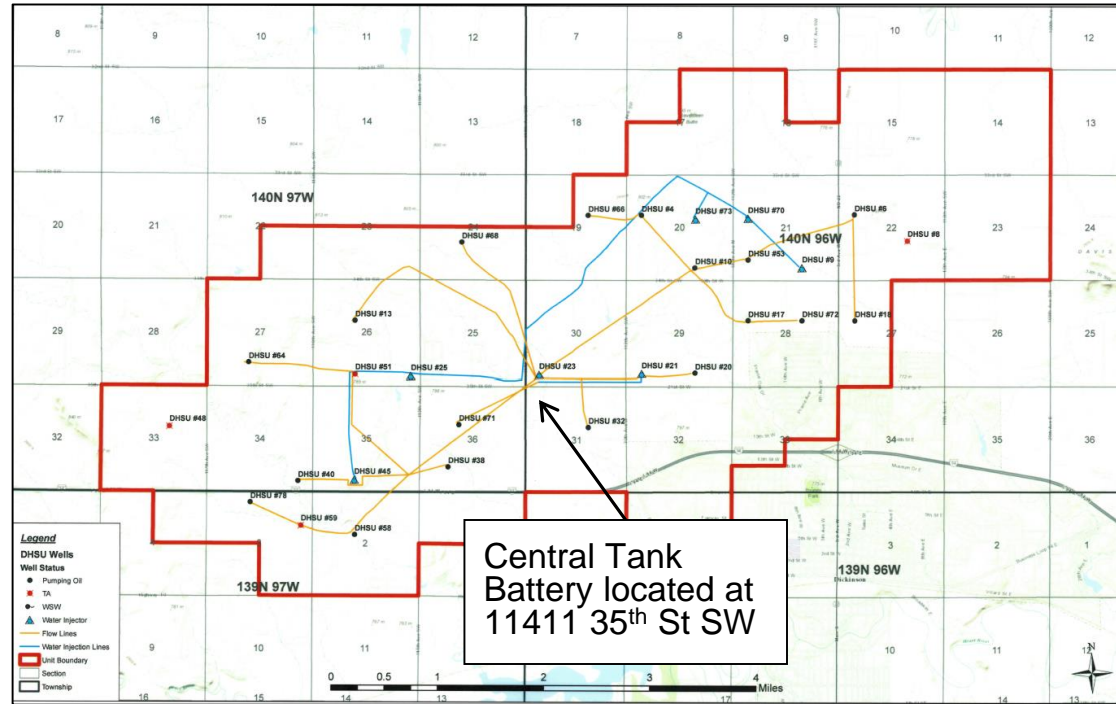
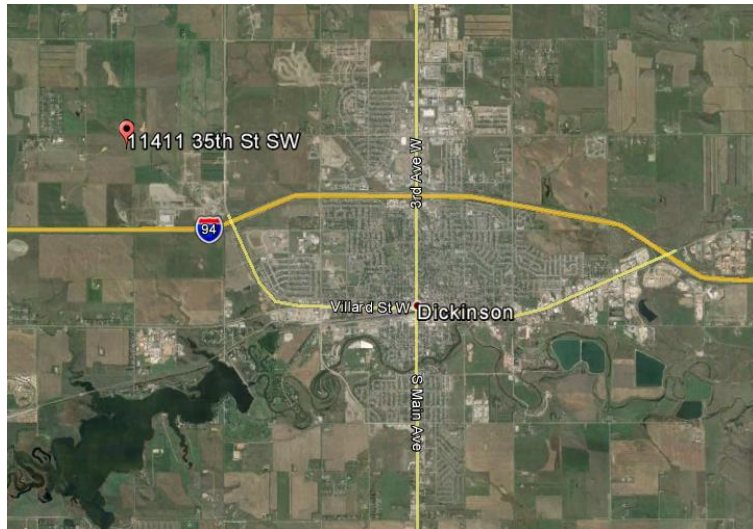
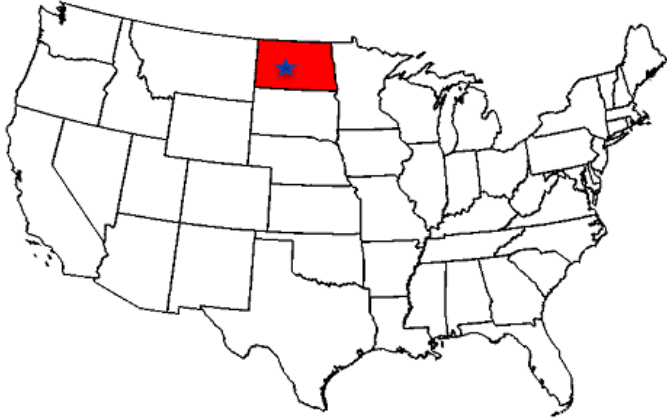


Overview of C12 DHSU Assets

- 140+ BOPD production capability (8/8ths)
- Unitized conventional field
- Recovery to date: ~26.6 MMSTB; 43% of OOIP
- ~78% NRI and ~97% WI
- 28 wells:
 - 17 Producing
 - 5 Injection
 - 4 wells T&A'd
 - 1 source water well
 - 1 disposal well
 - 0 Shut-in for mechanical integrity (low P&A liability)
- Identified improvement opportunities
 - Lower lease operating expense through capital projects
 - Pipeline replacement and water pump upgrade
 - Artificial lift optimization
 - Water shut offs
 - Re-pressure reservoir with source water well
 - Waterflood optimization
 - CO2 EOR development
 - Estimated 7+ million barrels of CO2 incremental oil



Field Location





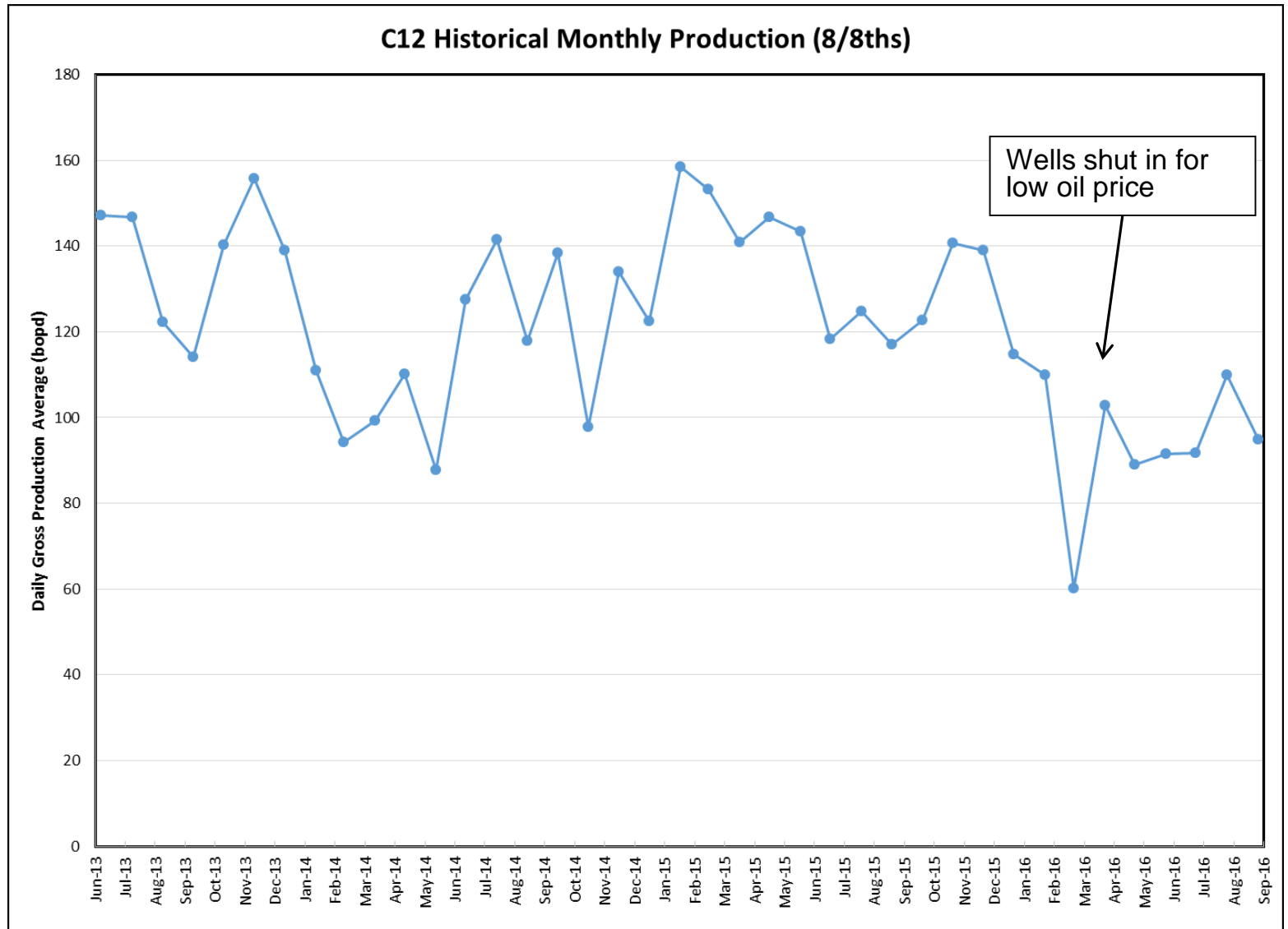
Dickinson Heath Sand Unit Overview

- Discovered 1958
- Field unitized in 1973
- Water flood developed in 1973 on 160 to 320 acre spacing
- Field is 8 miles long by 2.5 miles wide
- Recovery to date ~ 26.6 mmboe (43% of OOIP)
- OOIP of 61.8 million bbls (total field)
- 68 wells have been drilled into the Dickinson Heath Sand Unit
- Produces from the Tyler Sandstone
 - 7900' TVD
 - Divided into an upper “A” zone and lower “B” zone separated by a shale break
 - Main production is out of the A2 and B1 sands

Tyler Sand Package	K Range (md)	K Avg. (md)	Φ Range (%)	Φ Avg. (%)	Net Sand Avg (ft)
A1	0.01-642	56.0	0.5-19.2	10.6	0.1
A2	0.01-1764	204.0	1.1-21.5	13.4	2.0
B1	0.01-3150	158.0	0.5-20.7	14.0	4.2
B2	0.01-545	294.0	0.8-19.6	14.9	.5
K cut-off based on 0.1 md.					
Φ cut-off based on 7% porosity					

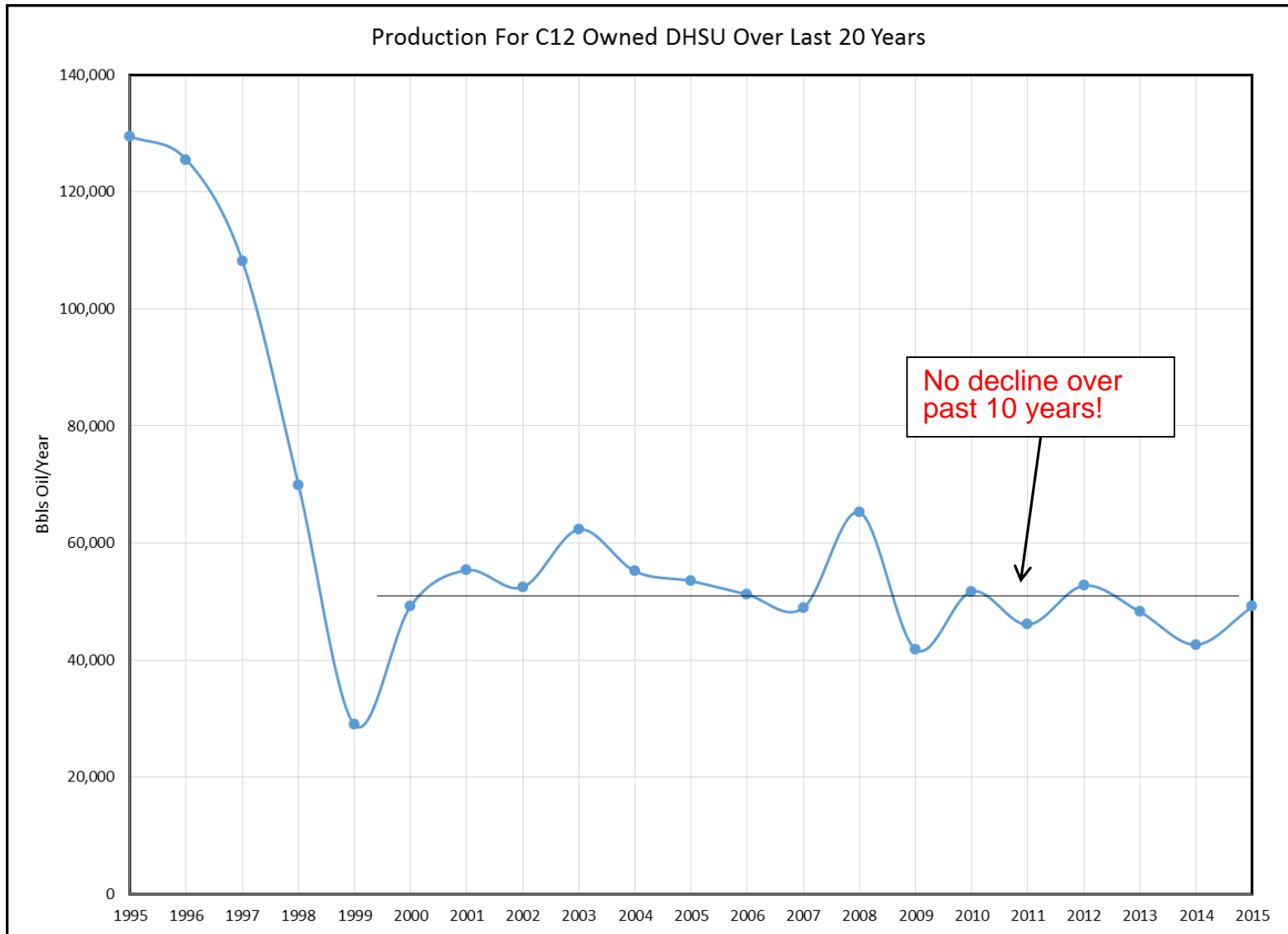


C12 Historical Monthly Production (8/8^{ths})





C12 DHSU Historical Yearly Production



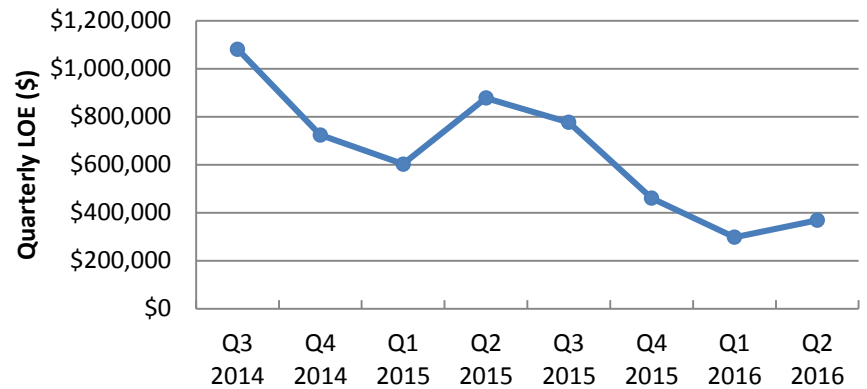


Lease Operating Expense

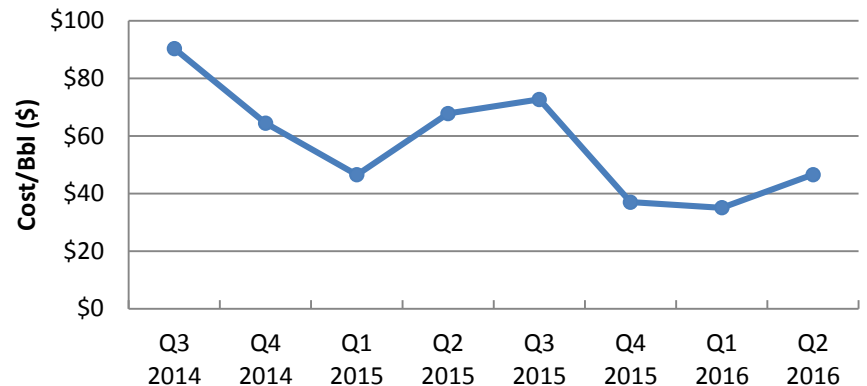
C12 has continued to reduced LOE from:

- Investments
 - Fixing things right the 'first time'; reduce repeat failures including:
 - Installed ~9000' of new pipeline
 - Replaced 2x 500 bbl water tanks
 - Swapping all pumps to mechanical hold down
- Renegotiated contracts >\$2000
- Moved to single chemical vendor
- Shut-in uneconomic wells, reducing chemical and utility costs
- Have identified addl. opportunities to reduce LOE and improve oil production

DHSU Historical LOE by Quarter



DHSU LOE Cost / Bbl





Field Improvement Opportunities

- **Replace Water Plant Pumps (\$6000/month Savings)**
 - Currently have 3x 300 HP pumps used to re-inject produced water back into reservoir
 - Pumps are old (30+ yrs) and consume significant maintenance cost and utilities
 - Estimate it would cost ~\$150,000 to replace pumps with new injection skid with 1x 150 HP pump and filtering system
 - Expected LOE savings from utilities and maintenance ~ \$6000/month
 - Payback in ~**24 months**
- **Acidize (+10 bopd)**
 - Numerous wells not stimulated in many years
 - A review of wells indicates ~4 wells are acidizing candidates
 - Acid job cost per well = \$15,000
 - Expected initial boost in production = 30% per well or 10 bopd total
 - Payback is ~ **7 months**
- **Increase VRR (+35 bopd)**
 - Field has only re-injected produced water
 - Pressure has declined as a result
 - C12 had source water well assigned to it in 2014
 - Costs \$5000/month to run ESP in source well
 - Additional \$3000/month to run water plant pump
 - Would take 18 months at 4000 bbls/d additional injection to see a 25% increase in production
 - Expected production after raising reservoir pressure to 4000 psi is 175 bopd
 - Payback in ~ **2 years**



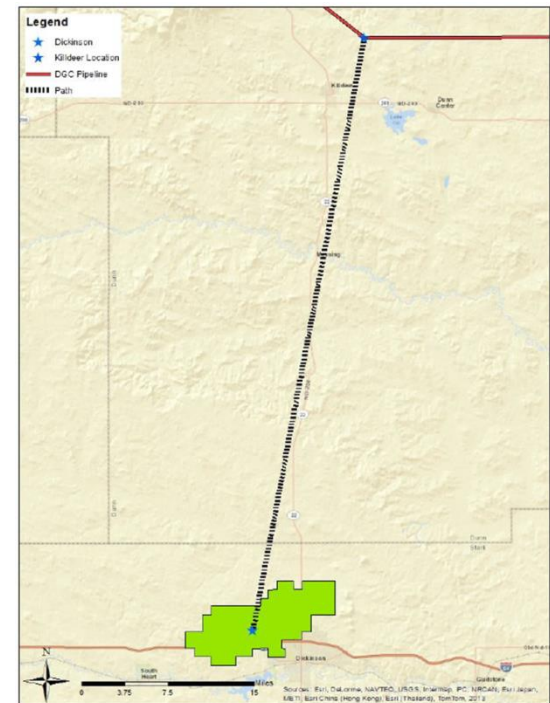
CO2 EOR Development Potential

Dickinson Heath Sand Unit

Development Plan

- Obtain CO2 contract from DGC (Dickinson Gasification Company)
 - Secured CO2 supply with contract with DGC in 2016
- Build Central Processing Facility for fluid processing & recycle compression
- Build 40 mile pipeline from Killdeer to Dickinson
- Re-pressure reservoir to 3000+ psi (miscibility pressure ~ 3000 psi)
- Install new field flowlines; workover wells as needed to implement CO2 EOR flood

Pipeline route from DGC CO2



Reserves	7.1 MMSTB (11% RF)
IRR	+24% at \$70/bbl WTI
NPV	\$105 MM at \$70/bbl WTI
Development Cost	\$244 MM (gross)



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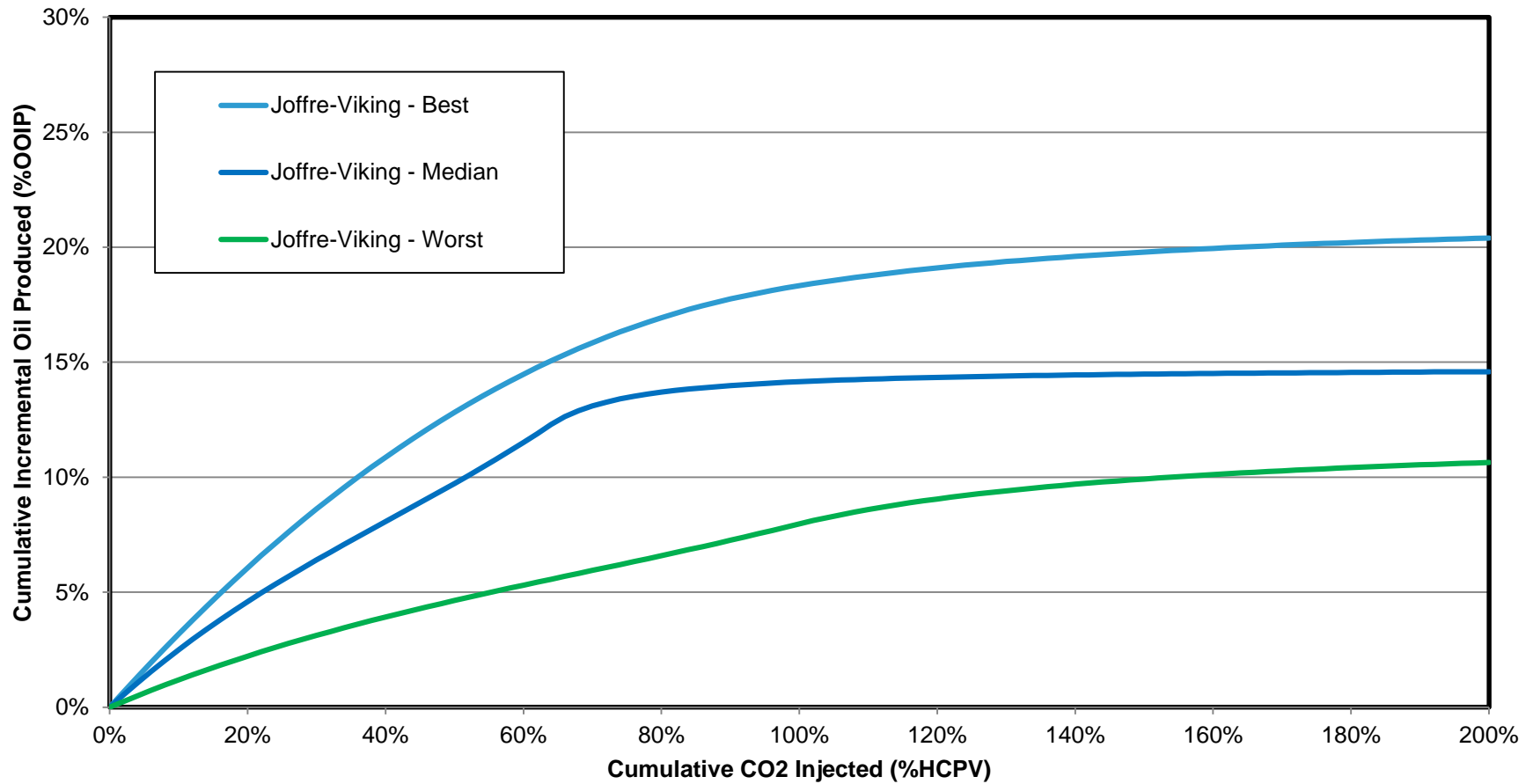
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Appendix



Comparable Type Curve used for DHSU





DHSU EOR Development Plan

